



Date: July 15, 2002

Subject: OCFO Bulletin #2002-005, Clearing of
Intradepartmental Transactions from Suspense
Accounts

To: All Agencies

PURPOSE

The purpose of this bulletin is to provide guidance for procedures applicable to the identification and reclassification of intradepartmental transactions from suspense

DEFINITIONS

Intradepartmental: Transactions occurring between Department of Agriculture (USDA) organizations, such as internal agreements.

Intra-governmental: Transactions occurring between USDA organizations and another federal agency including USDA agencies, such as between Forest Service and Agriculture Research Service, or Natural Resources Conservation Service and Farm Service Agency.

Non-governmental: Transactions occurring between USDA organizations and other entities, such as states, localities, counties, sovereign governments, businesses, individuals.

Trading Partner: The governmental agency participating in transactions with USDA organizations.

Reciprocal Accounts: Corresponding standard general ledger (SGL) accounts that should be used by a providing and receiving agency to record like intradepartmental transactions. For example, the providing agency's accounts receivable would normally be reconciled to the reciprocal account, accounts payable, on the receiving agency's records.

BACKGROUND

The accumulation of intradepartmental transaction data in agency SGL account 2400 / Treasury Symbols 12F3885 and 12F3875 for Intra-governmental Payment and Collection/On-line Payment and Collection (IPAC/OPAC) transactions does not result in the correct accounting required for the elimination entries and external reporting. Financial statement related external reports such as the Treasury Report on Receivables (TROR, formerly the Schedule 9), Federal Agencies Centralized Trial Balance System (FACTS) I, FACTS II, and financial statements including notes and supplementary information require differentiation between intra-governmental and non-governmental transactions. The failure to enter intradepartmental transactions in reciprocal accounts for both agencies in the same accounting period, caused by accumulation of balances in suspense, prevents the USDA from properly preparing the financial statements, disclosing accurate information, and confirming intradepartmental balances to our trading partners.

RESPONSIBILITIES

The Chief Financial Officer of each USDA organization is responsible not only for the financial statements of his or her own agency, but also for reporting intradepartmental transactions according to policy for elimination in the consolidation of USDA accounts. It is the responsibility of each agency to monitor the

balances in the suspense accounts and provide all information to NFC required for timely reconciliation and clearance of the accounts.

In addition it is the responsibility of each agency to research the balances in suspense and to identify and reclassify all items relating to intradepartmental activity to the reciprocal account which is used to confirm those transactions with the Trading Partner.

POLICY

Each agency, in preparation of elimination entries, will: (1) identify all balances which represent intradepartmental transactions in agency SGL account 2400 / Treasury Symbols 12F3885 and 12F3875; (2) reclassify those transactions to the appropriate general ledger accounts; (3) confirm amounts and reciprocal accounts with trading partners; and (4) report the balances for elimination.

The providing agency is responsible for providing complete accounting information for the receiving agency when billing IPAC intradepartmental transactions.

For any IPAC intradepartmental transactions in a receiving agency suspense account due to failure of the providing agency to provide complete accounting codes for the receiving agency, the receiving agency should charge the transaction back to the providing agency.

CORRECTIVE ACTIONS

All intradepartmental transactions in the suspense accounts must be researched and reclassified by each agency for each accounting period. The target date for this correction is August 31, 2002. Please assure that the reclassifications are supported with documentation which provides an audit trail to the original transactions.

INQUIRIES

Any questions concerning this bulletin should be directed to Jon Holladay on (202) 619-7642.

EFFECTIVE DATE

This bulletin is effective immediately.

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